



ARLINGTON FINANCE COMMITTEE  
MINUTES OF MEETING  
COMMUNITY SAFETY BUILDING O'NEILL ROOM  
2/13/19 7:30 PM

ATTENDEES:

Gibian*	White		Kellar*	McKenna*
	Wallach*	Harmer*	Tosti*	
Ellis*	Foskett*	Deyst*	Duvadie*	
	Beck	Jones*	Deshler*	
Franclemont*	Howard*	LaCourt*	Carman*	Diggins*

\*Indicates present

VISITORS: Town Manager Adam Chapdelaine, Deputy Town Manager Sandy Pooler

1. MINUTES of 2/11/19 approved as corrected. Unanimous

2. LONG RANGE PLAN Pooler provided copies of the Feb 6 revisions to the plan (Ref 1). The first revision shows the effect of the Governor's revised school foundation budget. The changes to the foundation budget affect school health insurance, English language learner program, SPED and child poverty. The net state aid increase for Arlington is \$2m, 11%. Pooler walked the committee through the plan, answering questions as he went. In this plan the new money is added to the Override Stabilization Fund and the budget remains balanced for an additional year. In FY 23 the deficit will be \$13.7m. The second plan shows the new money added to the school budget. This results in one fewer year of balanced budgets. In FY22 the deficit will be \$15.2m. FY22 is also the first deficit year in the older plan in the budget book where the deficit is \$4.8m. The legislature may not approve the entire Governor's education budget but we think any reductions will be small.

Aside from the new money, there are other changes from last year: free cash used +21%, local receipts +7.6%, Minuteman +9% that includes capital expense. The health insurance figure is probably too high.

In answer to related questions: Symnes debt expense is balanced by Symnes tax revenue. The JRM contract ends 6/30/22. The Wheelabrator contract ends 6/30/20. The recycle markets are in turmoil. The fully funded pension date is 2036

3. MANAGER'S WARRANT ARTICLES: Chapdelaine discussed the articles that he submitted that the FinCom thought might have a fiscal impact. The votes, taken later are recorded here with the discussion. A FinCom vote of "No Report" means the Select Board (SB) will report.

ART 35 SHORT TERM RENTAL REGULATIONS: Probably no impact. Number of possible apartments is not known.

VOTED No Report. Unanimous

ART 38 SENIOR TAX DEFERAL LIMIT: This is a follow up from last year. If tax deferred, the Town will attach a lien on property. Tax will be collected when property sold. No impact.

VOTED No Report. Unanimous

ART 43 MEANS TESTED SENIOR TAX RELIEF: If some residents see a tax deduction, then everyone else's tax will increase, a little, to make up the difference. No impact.

VOTED: No report. Unanimous.

ART 44 CPA SURCHARGE EXEMPTION FOR SENIORS: Would probably have an impact but SB will not support.

VOTED: No report. Unanimous

ART 46 COMMISSION ON DISSABILITIES FUND: Would divert parking fines for violation of restricted parking to a fund to benefit residents with disabilities. FinCom to invite Commission on Disabilities to a hearing.

ART 47 & 48 FUNDING LOCAL TV (PEG) BY APPROPRIATION: This approach, rather than direct spending of revenues, is favored by State.

VOTED favorable action. Unanimous. Town Manager to prepare vote.

ART 49 LOCAL OPTION TAXES: No new options known.

VOTED No Action Unanimous

ART 50 SHORT TERM RENTAL IMPACT FEES: SB will support.

VOTED to support SB. Unanimous

ART 53 ENDORSMENT OF PARKING BENEFIT DISTRICTS EXPENDITURES

ART 54 APPROVAL OF PARKING BENEFIT COSTS

Finances SubCom Foskett to investigate & report.

ART 56 COLLECTIVE BARGAINING: Two unions have not settled. May settle before Town Meeting.

VOTED No report at this time. Unanimous

ART 60 TRANSPORTATION INFRASTRUCTURE FUND:

VOTED to support w/o naming explicit amount. Unanimous

ART 69 HARRY BARBER SERVCE PROGRAM: Since this is the same amount as requested last year, no need to invite Council on Aging to hearing.

VOTED \$75,500 Unanimous.

MUGAR LEGAL DEFENCE FUND \$25,000 See Budget Book page 204. Some confusion about how this money should be appropriated. Howard to discuss w/ Legal Dept.

COMMITTEE: No meeting Monday-President's Day. New hearing schedule provided.

Meeting adjourned at 9:55 PM

Peter Howard 2/14/19  
Revised 2/21/19

	FY 2019 RECAP	FY 2020	Dollar Change	Percent Change	FY 2021	Dollar Change	Percent Change	FY 2022	Dollar Change	Percent Change	FY 2023	Dollar Change	Percent Change	FY 2024	Dollar Change	Percent Change
<b>I REVENUE</b>																
A. State Aid	20,039,795	22,271,261	2,231,466	11.14%	22,489,990	218,729	0.98%	22,710,906	220,916	0.98%	22,934,031	223,125	0.98%	23,159,387	225,356	0.98%
School Construction Aid	476,523	476,523	0	0.00%	476,523	0	0.00%	0	(476,523)	-100.00%	0	0	0.00%	0	0	0.00%
B. Local Receipts	9,171,000	9,871,000	700,000	7.63%	9,971,000	100,000	1.01%	10,071,000	100,000	1.00%	10,171,000	100,000	0.99%	10,271,000	100,000	0.98%
C. Free Cash	4,593,375	5,559,782	966,407	21.04%	3,307,332	(2,252,450)	-40.51%	3,307,332	0	0.00%	3,307,332	0	0.00%	3,307,332	0	0.00%
D. Overlay Reserve Surplus	200,000	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%
E. Property Tax	124,010,977	127,691,114	3,680,137	2.97%	131,062,683	3,371,569	2.64%	134,444,418	3,381,735	2.58%	137,952,032	3,507,614	2.61%	141,501,670	3,549,638	2.57%
F. Override Stabilization Fund	2,786,331	2,213,901	(572,430)	-20.54%	7,941,004	5,727,103	258.69%	11,863,928	3,922,924	49.40%	1,705,610	(10,158,318)	-85.62%	0	(1,705,610)	-
<b>TOTAL REVENUES</b>	161,278,001	168,283,581	7,005,580	4.34%	175,448,532	7,164,951	4.26%	182,597,584	7,149,052	4.07%	176,270,005	(6,327,579)	-3.47%	178,439,389	2,169,384	1.23%
<b>II APPROPRIATIONS</b>																
A. Operating Budgets																
School																
General Education Costs	43,981,008	46,381,443	2,400,435	5.46%	49,095,021	2,713,578	5.85%	51,503,824	2,408,803	4.91%	54,059,234	2,555,410	4.96%	56,704,083	2,644,849	4.89%
Special Education Costs	21,440,034	22,940,836	1,500,802	7.00%	24,546,695	1,605,859	7.00%	26,264,964	1,718,269	7.00%	28,103,511	1,838,547	7.00%	30,070,757	1,967,246	7.00%
Growth Factor	831,980	1,053,360	221,380	26.61%	667,128	(386,232)	-36.67%	727,320	60,192	9.02%	727,320	0	0.00%	481,536	(245,784)	-33.79%
<b>Net School Budget</b>	<b>66,253,022</b>	<b>70,375,639</b>	<b>4,122,617</b>	<b>6.22%</b>	<b>74,308,844</b>	<b>3,933,205</b>	<b>5.59%</b>	<b>78,496,108</b>	<b>4,187,264</b>	<b>5.63%</b>	<b>82,890,065</b>	<b>4,393,957</b>	<b>5.60%</b>	<b>87,256,376</b>	<b>4,366,311</b>	<b>5.27%</b>
Minuteman: Operating and Capital	4,936,724	5,384,690	447,966	9.07%	5,573,154	188,464	3.50%	5,768,214	195,060	3.50%	5,970,101	201,887	3.50%	6,179,055	208,954	3.50%
Town																
Personnel Services	27,620,241	28,503,491	883,250	3.20%	29,429,854	926,363	3.25%	30,386,324	956,470	3.25%	31,373,880	987,556	3.25%	32,393,531	1,019,651	3.25%
Expenses	10,594,579	10,973,991	379,412	3.58%	11,330,646	356,655	3.25%	11,698,892	368,246	3.25%	12,079,106	380,214	3.25%	12,471,677	392,571	3.25%
Less Offsets:																
Enterprise Fund/Other	2,490,562	2,592,186	101,624	4.08%	2,676,432	84,246	3.25%	2,763,416	86,984	3.25%	2,853,227	89,811	3.25%	2,945,957	92,730	3.25%
<b>Net Town Budget</b>	<b>35,724,258</b>	<b>36,885,296</b>	<b>1,161,038</b>	<b>3.25%</b>	<b>38,084,068</b>	<b>1,198,772</b>	<b>3.25%</b>	<b>39,321,800</b>	<b>1,237,732</b>	<b>3.25%</b>	<b>40,599,759</b>	<b>1,277,959</b>	<b>3.25%</b>	<b>41,919,251</b>	<b>1,319,492</b>	<b>3.25%</b>
MWRA Debt Shift	5,593,112	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%
B. Capital budget																
Exempt Debt Service	4,432,143	4,273,079	(159,064)	-3.59%	4,114,929	(158,150)	-3.70%	3,452,179	(662,750)	-16.11%	3,352,632	(99,547)	-2.88%	3,254,930	(97,702)	-2.91%
Non-Exempt Service	6,624,043	6,527,244	(96,799)	-1.46%	6,709,573	182,329	2.79%	7,445,346	735,773	10.97%	7,673,822	228,476	3.07%	7,579,716	(94,106)	-1.23%
Cash	2,795,027	3,807,995	1,012,968	36.24%	3,425,060	(382,935)	-10.06%	2,456,304	(968,756)	-28.28%	2,325,383	(130,921)	-5.33%	2,752,993	427,610	18.39%
Offsets/Capital Carry Forward	(994,056)	(1,568,908)	(574,852)	57.83%	(1,234,627)	334,281	-21.31%	(887,157)	347,470	-28.14%	(576,125)	311,032	-35.06%	(563,837)	12,288	-2.13%
<b>Total Capital</b>	<b>12,857,157</b>	<b>13,039,410</b>	<b>182,253</b>	<b>1.42%</b>	<b>13,014,935</b>	<b>(24,475)</b>	<b>-0.19%</b>	<b>12,466,672</b>	<b>(548,263)</b>	<b>-4.21%</b>	<b>12,775,712</b>	<b>309,040</b>	<b>2.48%</b>	<b>13,023,802</b>	<b>248,090</b>	<b>1.94%</b>
C. Pensions	10,765,545	11,355,945	590,400	5.48%	11,980,522	624,577	5.50%	12,639,451	658,929	5.50%	13,334,621	695,170	5.50%	14,068,025	733,404	5.50%
D. Insurance	17,159,100	18,037,075	877,975	5.12%	19,112,479	1,075,404	5.96%	20,260,395	1,147,916	6.01%	21,473,181	1,212,786	5.99%	22,702,393	1,229,212	5.72%
E. State Assessments	3,366,238	3,415,025	48,787	1.45%	3,498,953	83,928	2.46%	3,584,978	86,025	2.46%	3,673,155	88,177	2.46%	3,763,535	90,380	2.46%
G. Overlay Reserve	1,245,171	600,000	(645,171)	-51.81%	600,000	0	0.00%	800,000	200,000	33.33%	600,000	(200,000)	-25.00%	600,000	0	0.00%
H. Reserve Fund	1,553,287	1,597,575	44,288	2.85%	1,633,926	36,351	2.28%	1,672,815	38,889	2.38%	1,712,118	39,303	2.35%	1,751,845	39,727	2.32%
I. Court Judgments/Symmes	671,250	773,225	101,975	15.19%	771,950	(1,275)	-0.16%	767,450	(4,500)	-0.58%	100,000	(667,450)	-86.97%	100,000	0	0.00%
J. Warrant Articles	1,153,137	1,226,589	73,452	6.37%	1,276,589	50,000	4.08%	1,226,589	(50,000)	-3.92%	1,276,589	50,000	4.08%	1,226,589	(50,000)	-3.92%
K. Override Stabilization Fund	0	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%
<b>L. TOTAL APPROPRIATIONS</b>	161,278,001	168,283,581	7,005,580	4.34%	175,448,532	7,164,951	4.26%	182,597,584	7,149,052	4.07%	189,998,413	7,400,829	4.05%	198,183,983	8,185,570	4.31%
<b>BALANCE</b>	<b>0</b>	<b>0</b>			<b>0</b>			<b>0</b>			<b>(13,728,408)</b>			<b>(19,744,594)</b>		
<b>Reserve Balances</b>																
Free Cash	11,119,563	6,614,664			6,614,664			6,614,664			6,614,664			6,614,664		
Stabilization Fund	3,467,162	3,671,177			3,881,313			4,097,752			4,320,685			4,550,305		
Override Stabilization Fund	21,224,443	21,510,542			13,569,538			1,705,610			0		0	0		
Municipal Bldg. Ins. Trust Fund	779,716	803,107			827,201			852,017			877,577			903,904		
<b>TOTAL:</b>	<b>36,590,884</b>	<b>32,599,491</b>			<b>24,892,716</b>			<b>13,270,043</b>			<b>11,812,926</b>			<b>12,068,874</b>		
% of General Fund Revenue	22.7%	19.4%			14.2%			7.3%			6.7%			6.8%		

The plan does not include any potential impacts of an Arlington High School Project

The plan does not include any projected revenues or expenditures from the Community Preservation Act

Projected School Enrollment Growth FY 2019 - FY 2024

	FY 2019**	FY 2020*	FY 2021*	FY 2022*	FY 2023*	FY 2024*
Actual/Proj. Annual Growth	170	210	133	145	145	96
** Actual Growth - Based on 35% DESE Per Pupil Cost; FY14 of \$13,085 = Growth Factor of \$4,580 X Enrollment Growth, FY15 PPC \$13,383 = \$4,684 X Enrollment Growth, and FY16 PPC of \$13,984 = \$4,984 X Enrollment Growth						
* Projected Growth- Based on 35% of FY17 DESE Per Pupil Cost of \$14,332 = \$5,016 X Enrollment Growth						

Long Range Financial Projection

	FY 2019 RECAP	FY 2020	Dollar Change	Percent Change	FY 2021	Dollar Change	Percent Change	FY 2022	Dollar Change	Percent Change	FY 2023	Dollar Change	Percent Change	FY 2024	Dollar Change	Percent Change
<b>I REVENUE</b>																
A. State Aid	20,039,795	22,271,261	2,231,466	11.14%	22,489,990	218,729	0.98%	22,710,906	220,916	0.98%	22,934,031	223,125	0.98%	23,159,387	225,356	0.98%
School Construction Aid	476,523	476,523	0	0.00%	476,523	0	0.00%	0	(476,523)	-100.00%	0	0	0.00%	0	0	0.00%
B. Local Receipts	9,171,000	9,871,000	700,000	7.63%	9,971,000	100,000	1.01%	10,071,000	100,000	1.00%	10,171,000	100,000	0.99%	10,271,000	100,000	0.98%
C. Free Cash	4,593,375	5,559,782	966,407	21.04%	3,307,332	(2,252,450)	-40.51%	3,307,332	0	0.00%	3,307,332	0	0.00%	3,307,332	0	0.00%
D. Overlay Reserve Surplus	200,000	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%	200,000	0	0.00%
E. Property Tax	124,010,977	127,691,114	3,680,137	2.97%	131,062,683	3,371,569	2.64%	134,444,418	3,381,735	2.58%	137,952,032	3,507,614	2.61%	141,501,670	3,549,638	2.57%
F. Override Stabilization Fund	2,786,331	5,478,401	2,692,070	96.62%	13,354,262	7,875,861	143.76%	4,891,780	(8,462,482)	-63.37%	0	(4,891,780)	-100.00%	0	0	-
<b>TOTAL REVENUES</b>	161,278,001	171,548,081	10,270,080	6.37%	180,861,790	9,313,709	5.43%	175,625,436	(5,236,354)	-2.90%	174,564,395	(1,061,041)	-0.60%	178,439,389	3,874,994	2.22%
<b>II APPROPRIATIONS</b>																
A. Operating Budgets																
School																
General Education Costs	43,981,008	46,381,443	2,400,435	5.46%	52,473,779	6,092,336	13.14%	57,106,546	4,632,767	8.83%	62,624,865	5,518,319	9.66%	66,698,955	4,074,090	6.51%
Special Education Costs	21,440,034	22,940,836	1,500,802	7.00%	24,546,695	1,605,859	7.00%	26,264,964	1,718,269	7.00%	28,103,511	1,838,547	7.00%	30,070,757	1,967,246	7.00%
Growth Factor	831,980	1,053,360	221,380	26.61%	667,128	(386,232)	-36.67%	727,320	60,192	9.02%	727,320	0	0.00%	481,536	(245,784)	-33.79%
<b>Net School Budget</b>	<b>66,253,022</b>	<b>73,640,139</b>	<b>7,387,117</b>	<b>11.15%</b>	<b>79,722,102</b>	<b>7,311,963</b>	<b>8.26%</b>	<b>86,772,080</b>	<b>6,411,228</b>	<b>8.84%</b>	<b>92,546,946</b>	<b>5,774,866</b>	<b>6.66%</b>	<b>98,138,248</b>	<b>5,591,302</b>	<b>6.04%</b>
Minuteman: Operating and Capital	4,936,724	5,384,690	447,966	9.07%	5,573,154	188,464	3.50%	5,768,214	195,060	3.50%	5,970,101	201,887	3.50%	6,179,055	208,954	3.50%
Town	27,620,241	28,503,491	883,250	3.20%	29,429,854	926,363	3.25%	30,386,324	956,470	3.25%	31,373,880	987,556	3.25%	32,393,531	1,019,651	3.25%
Expenses	10,594,579	10,973,991	379,412	3.58%	11,330,646	356,655	3.25%	11,698,892	368,246	3.25%	12,079,106	380,214	3.25%	12,471,677	392,571	3.25%
Less Offsets:																
Enterprise Fund/Other	2,490,562	2,592,186	101,624	4.08%	2,676,432	84,246	3.25%	2,763,416	86,984	3.25%	2,853,227	89,811	3.25%	2,945,957	92,730	3.25%
<b>Net Town Budget</b>	<b>35,724,258</b>	<b>36,885,296</b>	<b>1,161,038</b>	<b>3.25%</b>	<b>38,084,068</b>	<b>1,198,772</b>	<b>3.25%</b>	<b>39,321,800</b>	<b>1,237,732</b>	<b>3.25%</b>	<b>40,599,759</b>	<b>1,277,959</b>	<b>3.25%</b>	<b>41,919,251</b>	<b>1,319,492</b>	<b>3.25%</b>
MWRA Debt Shift	5,593,112	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%	5,593,112	0	0.00%
B. Capital budget																
Exempt Debt Service	4,432,143	4,273,079	(159,064)	-3.59%	4,114,929	(158,150)	-3.70%	3,452,179	(662,750)	-16.11%	3,352,632	(99,547)	-2.88%	3,254,930	(97,702)	-2.91%
Non-Exempt Service	6,624,043	6,527,244	(96,799)	-1.46%	6,709,573	182,329	2.79%	7,445,346	735,773	10.97%	7,673,822	228,476	3.07%	7,579,716	(94,106)	-1.23%
Cash	2,795,027	3,807,995	1,012,968	36.24%	3,425,060	(382,935)	-10.06%	2,456,304	(968,756)	-28.28%	2,325,383	(130,921)	-5.33%	2,752,993	427,610	18.39%
Offsets/Capital Carry Forward	(994,056)	(1,568,908)	(574,852)	57.83%	(1,234,627)	334,281	-21.31%	(887,157)	347,470	-28.14%	(576,125)	311,032	-35.06%	(563,837)	12,288	-2.13%
<b>Total Capital</b>	<b>12,857,157</b>	<b>13,039,410</b>	<b>182,253</b>	<b>1.42%</b>	<b>13,014,935</b>	<b>(24,475)</b>	<b>-0.19%</b>	<b>12,466,672</b>	<b>(548,263)</b>	<b>-4.21%</b>	<b>12,775,712</b>	<b>309,040</b>	<b>2.48%</b>	<b>13,023,802</b>	<b>248,090</b>	<b>1.94%</b>
C. Pensions	10,765,545	11,355,945	590,400	5.48%	11,980,522	624,577	5.50%	12,639,451	658,929	5.50%	13,334,621	695,170	5.50%	14,068,025	733,404	5.50%
D. Insurance	17,159,100	18,037,075	877,975	5.12%	19,112,479	1,075,404	5.96%	20,260,395	1,147,916	6.01%	21,473,181	1,212,786	5.99%	22,702,393	1,229,212	5.72%
E. State Assessments	3,366,238	3,415,025	48,787	1.45%	3,498,953	83,928	2.46%	3,584,978	86,025	2.46%	3,673,155	88,177	2.46%	3,763,535	90,380	2.46%
G. Overlay Reserve	1,245,171	600,000	(645,171)	-51.81%	600,000	0	0.00%	800,000	200,000	33.33%	600,000	(200,000)	-25.00%	600,000	0	0.00%
H. Reserve Fund	1,553,287	1,597,575	44,288	2.85%	1,633,926	36,351	2.28%	1,672,815	38,889	2.38%	1,712,118	39,303	2.35%	1,751,845	39,727	2.32%
I. Court Judgments/Symmes	671,250	773,225	101,975	15.19%	771,950	(1,275)	-0.16%	767,450	(4,500)	-0.58%	100,000	(667,450)	-86.97%	100,000	0	0.00%
J. Warrant Articles	1,153,137	1,226,589	73,452	6.37%	1,276,589	50,000	4.08%	1,226,589	(50,000)	-3.92%	1,276,589	50,000	4.08%	1,226,589	(50,000)	-3.92%
K. Override Stabilization Fund	0	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%	0	0	0.00%
<b>L TOTAL APPROPRIATIONS</b>	<b>161,278,001</b>	<b>171,548,081</b>	<b>10,270,080</b>	<b>6.37%</b>	<b>180,861,790</b>	<b>9,313,709</b>	<b>5.43%</b>	<b>190,873,556</b>	<b>10,011,766</b>	<b>5.54%</b>	<b>199,655,294</b>	<b>8,781,738</b>	<b>4.60%</b>	<b>209,065,855</b>	<b>9,410,561</b>	<b>4.71%</b>
<b>BALANCE</b>	<b>0</b>	<b>0</b>			<b>0</b>			<b>(15,248,120)</b>			<b>(25,090,899)</b>			<b>(30,626,466)</b>		
Reserve Balances																
Free Cash	11,119,563	6,614,664			6,614,664			6,614,664			6,614,664			6,614,664		
Stabilization Fund	3,467,162	3,671,177			3,881,313			4,097,752			4,320,685			4,550,305		
Override Stabilization Fund	21,224,443	18,246,042			4,891,780			0			0		0	0		
Municipal Bldg. Ins. Trust Fund	779,716	803,107			827,201			852,017			877,577			903,904		
TOTAL:	36,590,884	29,334,991			16,214,958			11,564,433			11,812,926			12,068,874		
% of General Fund Revenue	22.7%	17.1%			9.0%			6.6%			6.8%			6.8%		

The plan does not include any potential impacts of an Arlington High School Project

The plan does not include any projected revenues or expenditures from the Community Preservation Act

Projected School Enrollment Growth FY 2019 - FY 2024

	FY 2019**	FY 2020*	FY 2021*	FY 2022*	FY 2023*	FY 2024*
Actual/Proj. Annual Growth	170	210	133	145	145	96
** Actual Growth - Based on 35% DESE Per Pupil Cost; FY14 of \$13,085 = Growth Factor of \$4,580 X Enrollment Growth, FY15 PPC \$13,383 = \$4,684 X Enrollment Growth, and FY16 PPC of \$13,984 = \$4,984 X Enrollment Growth						
* Projected Growth- Based on 35% of FY17 DESE Per Pupil Cost of \$14,332 = \$5,016 X Enrollment Growth						